

IRAQ

TIJARA

Quick Facts

The USAID Tijara program supports economic development in Iraqi communities by offering services that stimulate business activities and promote greater access to financial services.

Results to date:

Tijara is supporting 12 Iraqi micro-finance institutions (MFIs) and three international MFIs. Almost 185,000 loans have been disbursed at a value of \$425 million.

Between January 2008 and February, 2010:

- The Iraqi Company for Financing SMEs financed 17 new loans worth \$222,487.
- Iraqi Company for Bank Guarantees guaranteed 74 loans that were disbursed in February for a total of \$918,335.
- MFIs disbursed 6,144 loans worth \$14.1 million in February.
- USAID-*Tijara*-supported small business development centers conducted 44 courses for 650 participants.



Abbas Fadhel inherited his father's chicken farm located in near Hilla in Babil province. The farm was substantial, consisting of six acres of land and two large hatcheries housing about 10,000 chickens. However, Abbas was dissatisfied with his return on investment and traced the problem to the chicken feed he was forced to buy from the local market. Abbas applied for a \$50,000 loan from Baghdad Bank to purchase equipment to make chicken feed. The bank is one of 15 financial institutions whose loans can be guaranteed by the Iraqi Company for Bank Guarantees in cooperation with the USAID-*Tijara* Program.

Today, Abbas, 45, grinds his own feed from soya beans, cereal grains, fishbone meal and other organic proteins purchased locally. He feeds his own chickens and sells the surplus production to neighboring poultry farmers in Hilla, Karbala and Najaf. "It's a lucrative second business," he smiles. "I earn \$60,000 a year selling chicken feed alone and the farm is 25 percent more profitable. I no longer worry about cash flow and my return on investment could not be better."

The Program:

Tijara promotes private sector development in Iraq by increasing access to finance and business development services. It also helps to create an improved enabling environment for increased trade and investment and sustainable micro, small, and medium enterprise (MSME) development. Active in all 18 Iraqi governorates, USAID Tijara's staff works with business associations, NGOs, government agencies and community groups to advance economic growth that generates jobs and supports self-respect and civic responsibility.

Beneficiaries:

Over the past year, MSME loans have created 1,816 new jobs. Microfinance institutions supported by the project currently serve 61,459 active clients.

How Entrepreneurs Benefit:

Access to finance bolsters the economy by enabling the start-up or expansion of small and medium enterprises. These loans help re-open stores, create jobs, and support local businesses, encouraging Iraqis to invest in their country.